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SUBJECT: PARAGUAY: ELECTORAL CALENDAR TAKING SHAPE, FIGHTS
HEATING UP

REF: ASUNCION 0177

Classified By: DCM MICHAEL J. FITZPATRICK; Reasons 1.4(b),(d)

¶1. (C) SUMMARY: Paraguay's Presidential/ Congressional election will likely be held April 20, 2008. Candidates also must register with the Electoral Tribunal (TSJE) 60 days prior; separately, political parties must identify their candidates in the form of primaries some 90 to 135 days before the election date. The TSJE will not monitor a primary election among opposition party candidates to identify a coalition candidate, complicating the opposition's already strained efforts to unite. The Colorados face their own problems in producing a consensus candidate but have proven themselves capable of meeting this challenge in the past. Meanwhile, two TSJE ministers remain under fire for the firing of a TSJE employee last December and have been asked to resign by the opposition National Coalition. END SUMMARY.

The Dates Working Backwards

¶2. (U) Paraguay's Constitution dictates a series of dates for selecting the President, Senators and Representatives to Congress.

-- Paraguay's next President will assume office on August 15, 2008; newly elected members of Congress and Governors take their oath of office July 1. According to the Constitution, general elections must be held 90 to 120 days prior to the President's inauguration - or between April 17 and May 17, ¶2008. Electoral Tribunal TSJE President Morales told poloff the TSJE is looking at scheduling the election for April 20, 2008 but this decision is not yet official.

-- Candidates running for office must register their candidacy no later than 60 days prior to the election. If the elections were scheduled for April 20, that would mean all candidates need to register by February 20.

-- Political parties must hold their primaries some 90 to 135 days prior to election. Again, if general elections are scheduled for April 20, that would mean primaries between December 7, 2007 and January 20, 2008. According to Morales, the TSJE is in the process of negotiating dates for the primaries of each of the parties. The Colorados have indicated they would like to hold their primary on December ¶16. The Liberals are talking about possibly scheduling their primary for the same day. The remaining parties including the National Founders Party (PEN), Country in Solidarity Party (PPS), the Beloved Fatherland Party (PPQ) and the National Union of Ethical Citizens Party (UNACE) will also need to schedule their primaries before January 20, 2008.

LUGO AND THE NATIONAL COALITION

¶3. (U) Fernando Lugo's Tekojoja Movement has apparently

decided not/not to seek to become a political party. According Tekojoja Movement President Anibal Carrillo, the movement did not want to create a dilemma for many of its members who also belong to political parties and would have been faced with choosing between the two if Tekojoja were to become a political party. (NOTE: Individuals are allowed to be members of a political movement and political party simultaneously but not a member of two different political parties at the same time. END NOTE) It is not even apparent Tekojoja would have had time to become a political party as the process is rather laborious, involving the elaboration of party statutes and the registration of at least 0.5 percent of voters in in the 2003 Senate election. As a movement, Tekojoja will be allowed to identify Lugo as its presidential nominee and even submit its own list of candidates for the Congress. However, lacking the status of political party, it will not be entitled to receive public campaign funds and will face legal obstacles to participating in a formally registered opposition alliance.

¶4. (C) The National Coalition, an alliance of opposition parties and social/political organizations insists it seeks to identify a unified candidate. However, its leaders have yet to decide upon the method for selecting who will be its Presidential candidate. Lugo has signaled his preference for some kind of political agreement amongst the leaders of the leading members of the Coalition. Liberal Party candidate Carlos Mateo Balmelli, however, insists such a process would deny political party members their constitutionally established right to identify their own candidate for the President (such as himself). He posits as a compromise holding an election in October wherein voters would vote for the opposition party/or movement -- Liberal, Beloved Fatherland Party, UNACE, and Tekojoja -- that it would like to represent them in the upcoming presidential elections.

The two parties/movements that receive the most votes would then identify the candidates via primaries before the January 20, 2008 deadline. COMMENT: This approach favors Mateo, as the Liberal Party is by far the strongest opposition party. But it will likely be resisted strongly by Lugo, at the very least, and perhaps others within the National Coalition, who oppose continued Liberal domination of the opposition to continued Colorado rule. END COMMENT.

¶5. (C) Alternatively, each party/movement could hold its primary first by January 20 and then hold a run-off election among each party's/movement's primary winners before February ¶20. Timing and logistics, however, will be a problem. TSJE President Morales insists the TSJE would not/not monitor such a run-up election, leaving the assorted political parties/movements to organize and monitor the election amongst themselves. Tekojoja President Carrillo conveyed to PolCouns concern about controlling such an election and potential Colorado Party efforts to participate and manipulate results; he signaled Tekojoja would not participate in such an election.

¶6. (C) It is not clear how the opposition parties will resolve this conundrum as none of the four potential candidates from within the National Coalition (Lugo/Tekojoja, Pedro Fadul/Beloved Fatherland Party, and Mateo and Federico Franco/Liberal Party) are prepared to give up their candidacy at this juncture. The Liberal Party plans to convene its some 1,340 convention members in the latter half of May with a view to seeking closure on how to select the opposition alliance candidate. Meanwhile discussions amongst the groups that make up the National Coalition is ongoing.

Colorados With Their Own Issues

¶7. (C) The Colorados are having their own problems forging a united front.

-- Vice-President Castiglioni declared his candidacy March 23 when it became apparent President Duarte would not back him. Abandoned by the Colorado Party's Reconciliation Movement, Castiglioni has bitterly attacked many of the party's

establishment. He is exploring building an alliance with other members of the party's dissident movement including Goli Stroessner, the President of the Party's Peace and Progress Movement -- and grandson of the former dictator -- and Julio Velasquez, former Health Minister and a powerful political player in the Central Department which possesses the most voters. Castiglioni is being attacked now as a rightist seeking to revive the ills of dictatorship and in bed with the Americans.

-- President Duarte has signaled a preference that his Education Minister Blanca Ovelar lead the Colorado's presidential ticket. If she won formally Duarte's backing as the party's "official" candidate, she would benefit from appealing to the party's machine stretching across the entire country, renown for producing electoral victories. However, her nomination faces serious internal resistance based on the fact that she does not hail from a Colorado family -- important to many Colorados at the grassroots level; she's a woman in a machista country; and she is perceived as Duarte's puppet given owing her political life to his support over the last decade.

-- Acting Colorado President Alberto Alderete produced a minor uproar when he announced April 18 he would not accept a nomination as Vice-President on a ticket with Ovelar. He could still well decide to back Ovelar's candidacy. However, if he were to launch his own candidacy or throw his support to Castiglioni (perhaps as his VP), the race for the Colorado Party candidate could become even more heated and contentious.

¶8. (C) The Colorado Party will convene its approximately 800 convention members on April 28. According to the agenda, they will elect the five members of the Electoral Tribunal that will oversee the Party's primary and select the members of the Code of Conduct Tribunal. Colorado Senator Francisco Oviedo told the DCM April 24 he expected the party's official wing to forge a compromise with the dissidents that will accord the former 3 and the latter 2 of their respective candidates to the Electoral Tribunal. A discussion of the party's "ideological orientation" has also been placed on the agenda. Many construe this as reflective of Duarte's desire to position the party center-left in effort to draw general election support away from Lugo and kill Castiglioni's chances of being Party standard-bearer. Senator Oviedo tried to play down the significance of this agenda item suggesting party statutes dictated the party should debate its doctrine every five years; no one is aware, however, that this has ever occurred. And both Alderete and Castiglioni backers are extremely anxious about this agenda item.

Who's Going to be in Charge Anyway?

¶9. (C) President Duarte appears finally to be coming to the realization that his reelection prospects are all but dead. However, he is not ready to step out of the political limelight signaling recent interest in pursuing election as a Senator. According to Paraguay's Constitution, all former Presidents acquire the status of "Senator for Life" giving them the right to participate in Senate debates but not to introduce or vote on legislation. Nor does Senator for Life grant them the presidential immunities that current Senators typically enjoy -- a point surely not lost in the mind of Duarte as he sees all three of his predecessors fighting criminal charges in the courts. The Constitution does not speak to whether a former President can become a Senator. Some argue, though, that acquisition of the status of Senator for Life would suggest implicitly they cannot become an active Senator.

¶10. (U) The question of if/when Duarte would have to resign to run or take his oath as a Senator on July 1 when his term as President does not end until August 15 is also under debate. According to the Constitution, Vice-President Castiglioni will have to resign office 6 months before the Presidential election (or by October if the election is set for April 20, 2008). The Constitution gives Congress the right to select his successor but they could choose to leave

the office vacant, as was the case in 2003 when the Vice-President at that time resigned and ran for President. If the President were to resign as well to either run/assume office as Senator, the country might potentially need to look to the President of the Congress to assume the office of President until August (NOTE: Senate President is selected by members each June). Some, however, have suggested the President could/will simply ask for permission to take his oath as Senator in July but remain in office as President until his term ends August 15.

TSJE REMAINS UNDER FIRE

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¶11. (C) The National Coalition sent a letter to TSJE President Morales April 9 asking him and TSJE Minister Dendia to resign to save the TSJE from further accusations of fraud and political bias. Morales provided PolOff with a copy of the letter which was a verbatim reiteration of criticism levied by TSJE Minister Ramirez Zambonini who continues to attack Morales and Dendia for kowtowing to the Colorado Party by firing the TSJE's IT Director last December. Morales said that he has no intention of resigning. Meanwhile, an opposition request to impeach both ministers is pending and caught up in a series of proposals to impeach several Supreme Court Ministers.

¶12. (C) COMMENT: The run-up to next year's elections promises much intrigue and not a few fireworks. Notwithstanding its statements to the contrary, the National Coalition will have a difficult time identifying a consensus candidate. The candidates from the more traditional parties remain resistant to ceding Lugo the nomination by virtue of a political agreement when the constitutionally mandated system of primaries favors their candidates' prospects. Lugo, on the other hand, would welcome the support of the National Coalition, but has signaled a readiness to run on his own - thus likely splitting the opposition and ensuring a Colorado roll to victory. Meanwhile the fight among the Colorados is heated. It would be premature, however, to conclude these disputes herald the impending demise of the Colorado Party. Past history suggests its constituent movements are fully capable of lining up behind the winner of the party's primary in the broader interest of preserving the party's stakes in the real fruits of power and continued dominion over the body politic.

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